

Message Text

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PAGE 01 CONAKR 01729 160945Z

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E.O. 11652: N/A

TAGS : EINV GV US

SUBJECT : US DIRECT INVESTMENT IN AFRICA

REF: STATE 250336

THERE ARE 3 AMERICAN INVESTMENTS IN GUINEA. PERTINENT INFORMATION FOLLOWS:

A. BOKE BAUXITE PROJECT

I. NAMES OF US FIRMS: ALCOA, MARTIN-MARIETTA

II. ESTIMATE OF BOOK VALUE OF US INVESTMENT: APPROX
\$120 MILLION (FOR THE ABOVE TWO FIRMS)

III. DESCRIPTION OF INVESTMENT: ALCOA AND MARTIN-MARIETTA HOLD RESPECTIVELY 27 PERCENT AND 20 PERCENT OF HALCO MINING, INC. (ALCAN HOLDS AN ADDITIONAL 27 PER CENT). THIS COMPANY IN TURN HAS A 51 PERCENT INTEREST IN THE COMPAGNIE DES BAUXITES DE GUINEE (CBG). THE GUINEAN GOVERNMENT HOLDS 49 PERCENT OF CBG. CBG WAS FORMED TO EXPLOIT THE VERY RICH BAUXITE RESERVES LOCATED IN THE BOKE REGION OF GUINEA. EXPORT OF BAUXITE FROM BOKE WILL EVENTUALLY REACH 9 MILLION METRIC TONS ANNUALLY. TOTAL COST OF THE PROJECT IS ESTIMATED AT \$342 MILLION.

B. FRIGUIA

I. NAME OF US FIRM: OLIN-MATHIESEN

II. ESTIMATED VALUE OF US INVESTMENT: \$61 MILLION

III. DESCRIPTION OF INVESTMENT: OLIN-MATHIESEN HOLDS 48.5 PERCENT OF FRIALCO, WHICH IN TURN HAS A 51 PERCENT INTEREST IN THE FRIGUIA CORPORATION. THE GUINEAN GOVERNMENT
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PAGE 02 CONAKR 01729 160945Z

HOLDS 49 PERCENT OF FRIGUIA. FRIGUIA WAS FORMED TO MINE THE

BAUXITE DEPOSITS LOCATED AT FRIA IN GUINEA, TRANSFORM THE BAUXITE INTO ALUMINA, AND EXPORT IT. TOTAL INVESTMENT AT FRIGUIA IS ABOUT \$150 MILLION. ANNUAL PRODUCTION RANGES BETWEEN 605,000 MT OF ALUMINA AND 675,000 MT. OLIN'S INTEREST IN FRIGUIA IS PRESENTLY BEING TRANSFERRED TO A CANADIAN FIRM, NORANDA.

C. SOCIETA GUINEENNE DE PETROLE (SOGUIP)

I. NAMES OF US FIRMS: BUTTES GAS AND OIL CO., INC.

II. ESTIMATE OF CURRENT BOOK VALUE OF US INVESTMENT:
\$950,000

III. DESCRIPTION OF INVESTMENT: SOGUIP IS OWNED JOINTLY BY BUTTES (51 PERCENT) AND THE GUINEAN GOVERNMENT (49 PERCENT). IT WAS FORMED TO EXPLOIT PETROLEUM AND NATURAL GAS RESOURCES ON THE GUINEAN CONTINENTAL SHELF. SOGUIP HAS CONDUCTED A GEOGRAPHICAL SURVEY OF THE CONTINENTAL SHELF AND PLANS TO DRILL ITS FIRST WELL IN EARLY 1975. ESTIMATED TOTAL US INVESTMENT WILL BE ABOUT \$6.8 MILLION.
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